

ADVISORY GROUP ON

Efficiency and Benchmarking

PROPOSAL #:

AGEB # 22

SUBJECT:

Privatization Requirements

DATE ADOPTED BY ADVISORY GROUP:

October 6, 2009

COMMISSION ACTION:

AMENDED / FAILED

DATE:

November 10, 2009

**RECOMMENDATION:** That no department or agency of Louisiana state government shall be authorized to privatize a program or service unless there is demonstrative evidence that the benefits of the privatization outweigh its costs; that the department or agency entering into the privatization contract be held accountable and responsible for the cost and quality of the service under the contract; that all privatization contracts require the approval of the Joint Committee on the Budget of the Louisiana Legislature; that the public department or agency entering into the privatization contract be required to monitor the contract to ensure that the benefits of the privatization outweigh the costs on an annual basis; and that private contractors retained through a privatization contract be required to interview and consider for employment public employees who are displaced by the privatization.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
That no department or agency of Louisiana state government shall be authorized to privatize a program or service unless there is demonstrative evidence that the benefits of the privatization outweigh its costs; that the department or agency entering into the privatization contract be held accountable and responsible for the cost and quality of the service under the contract; that all privatization contracts require the approval of the Joint Committee on the Budget of the Louisiana Legislature; that the public department or agency entering into the privatization contract be required to monitor the contract to ensure that the benefits of the privatization outweigh the costs on an annual basis; and that private contractors retained through a privatization contract be required to interview and consider for employment public employees who are displaced by the privatization.	Legislature	To ensure that any privatization efforts are based on a sound cost/benefit analysis and are subject to rigorous oversight ultimately ensuring that the state is saving money while offering the same level and quality of services.	Legislation		